

matter on the basis of complaint filed by some depositors. Central Bureau of Investigation have initiated necessary action to take over these investigations.

[English]

Multinational Companies

2676. SHRI SUSHIL CHANDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the percentage of actual investment is not satisfactory as compared to the approval of investment granted by the Government;

(b) if so, the details thereof;

(c) whether the multinational companies have taken over the Indian companies by purchasing their shares;

(b) if so, the details thereof alongwith the number of such cases came to the notice; and

(e) the steps proposed to be taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) As against the FDI approvals amounting to Rs. 105957.00 crores (excluding Euro-Issue of Rs. 15832.00 crores) between 1991 to 1997 (upto May), the actual FDI inflow is Rs. 26619.00 crores (upto May 1997). This indicates an approval inflow ratio of roughly 4:1. However, gestation period of projects vary and mega-projects (Power, Refinery etc.) take much longer. Excluding mega-projects (which involve nearly 50% of FDI approved), the approval: inflow ratio is 2:1 which is reasonable. The inflow is showing an ever increasing trend i.e., from Rs. 351 crores (1991) to Rs. 675 crores (1992), Rs. 1787 crores (1993), Rs. 2982 crores (1994), Rs. 6370 crores (1995), Rs. 8441 crores (1996) and Rs. 6012.84 crores (upto May 1997). The inflow is Rs. 8441 crores during 1996, which is more than the total FDI inflows of the last 4 years. This trend indicates increasing rate of FDI inflows.

(c) to (e) Increase in foreign equity in the existing Indian Companies is allowed in cases where request is supported by Resolution of the Board of the existing company. During the post policy period i.e. from August 1991 to May 1997, total number of 494 cases for increase in equity involving Foreign Direct Investment of Rs. 8777.91 crores have been approved.

Isolation in Global Trade

2677. SHRI B. L. SHANKAR: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are aware of the news item as appeared in Times of India dated the July 20, 1997 captioned "India risks isolation in global trade arena";

(b) if so, the details of the news item; and

(c) the steps taken by the Government to save the country from isolation in the global trade during 1997-98?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) Yes, Sir. The news item referred to in the question mainly deals with the consultations held in the Committee on Balance of Payments Restrictions of the World Trade Organisation (WTO) with India on the quantitative restrictions on imports maintained by India under the provisions of Article XVIII:B of the General Agreement of Tariffs and Trade (GATT) 1994. The news item mentions that India risked isolation in the global trade arena by refusing to notify an internationally acceptable time frame for eliminating barriers, and that the collapse of the talks has prompted global trade powers, including the EU, the US, Canada, Australia, New Zealand and Switzerland to initiate dispute settlement proceedings against India.

Government of India has presented to the WTO Committee on Balance of Payments Restrictions a plan for the elimination of residual quantitative restrictions on imports maintained under Article XVIII:B of the GATT. This plan was discussed at the meeting of the Committee held on 10-11 June, 1997 and at the resumed meeting held on 30 June-1 July, 1997, when due to divergence of opinion among Members of the Committee, with some Members stating that the overall time period over which restrictions would be eliminated was too long and some Members stating that the Indian plan was workable, the consultations concluded without consensus. Therefore, it may not be correct to state that India was isolated during the deliberations of this Committee.

Some of the Members that had expressed the view that the time period under India's plan was too long, namely, Australia, Canada, the European Communities, New Zealand, Switzerland and the United States of America, in separate requests, have sought formal consultations with India under Article XXII of GATT 1994 and the Understanding on Rules and Procedures Governing the Settlement of Dispute (DSU) alleging that continued maintenance of quantitative restrictions on imports for balance of payments purposes by India when there have been improvements in India's balance of payments is inconsistent with India's obligations under the WTO. India has accepted the requests for consultations. There are indications that the complainants would like to work towards a mutually acceptable solution. India's approach to these consultations would also be similar.

Compensation to fishermen by Insurance Companies

2678. SHRI K.P. NAIDU:

SHRI AJMEERA CHANDULAL:

Will the Minister of FINANCE be Pleased to state:

(a) whether any representations have been received by the Government regarding making inordinate delay in paying compensation to the fishermen by the insurance companies whose boats sank into the sea as a result of storm in Andhra Pradesh; and